

JUDICIAL BRANCH

0250 Judicial Branch

The Governor's budget proposes a total of \$3.4 billion (\$2 billion General Fund and \$1.4 billion other funds) for the Judicial Branch, an increase of \$139.7 million (\$224.1 million General Fund) or 4.3 percent above anticipated current-year expenditures.

Of the total amount, the budget proposes expenditures of \$371 million (\$317.7 million General Fund) for items related to the state judiciary. The state judiciary items include the Supreme Court (\$41.6 million), the Courts of Appeal (\$182.1 million), the Judicial Council – which includes the Administrative Office of the Courts (AOC) (\$101.9 million), the Judicial Branch Facility Program (\$32.6 million), and the California Habeas Corpus Resource Center (\$12.9 million). The proposed amount for the state judiciary is a decrease of \$3.4 million below estimated expenditures in the current year. The reduction is due primarily to a change in the way that reimbursements from the trial courts are reflected. Previously the budget had shown about \$14 million in reimbursements in the AOC budget from trial courts for services provided statewide for the trial courts. Now that the entire Judicial Branch is in one budget item, the Administration has eliminated the reimbursements and proposed budget bill language that would allow for the transfer of funds from the trial courts to the AOC, upon the approval of the director of the AOC, for recovery of the costs of administrative services provided to the courts.

The proposed total budget for the Trial Court Funding item is \$3 billion (\$1.7 billion General Fund and \$1.4 billion other funds). This amount is an increase of \$143 million, or 4.9 percent, from anticipated expenditures in the current year.

Summary of Program Requirements				
(dollars in thousands)	2002-03	2003-04	\$ Change	% Change
Supreme Court	\$40,837	\$41,571	\$734	1.8
Courts of Appeal	178,072	182,117	4,045	2.3
Judicial Council	110,914	101,902	-9,012	-8.1
Judicial Branch Facility Program	33,189	32,552	-637	-1.9
State Trial Court Funding	2,889,837	3,032,868	143,031	4.9
Habeas Corpus Resource Center	11,380	12,872	1,492	13.1
Total	\$3,264,229	\$3,403,882	\$139,653	4.3

Highlights

- An increase of \$57.5 million General Fund for the trial courts to restore a one-time reduction in the current year.
- An increase of \$31 million General Fund in baseline augmentations for the trial courts related to court security (\$18.7 million) and information technology (\$13.3 million).
- An increase of \$5.5 million General Fund to support facilities, staff, salaries, and benefits for up to 150 new judges phased in over a three-year period. This level of funding assumes one month of expenditures in the budget year.
- An increase of \$105.2 million General Fund for the trial courts based on a growth factor (4.7 percent) tied to the State Appropriations Limit (SAL).
- An increase of \$16 million General Fund for the trial courts by increasing the base upon which the SAL growth factor is calculated. This proposal adds judicial compensation, the assigned judges program, the Judicial Administration Efficiency and Modernization Fund, the Equal Access Fund, and a portion of the Trial Court Improvement Fund to the base upon which the growth factor adjustment is calculated.
- An increase of \$1.2 million General Fund for a growth factor increase equal to the SAL for the state judiciary beginning June 1, 2007. This represents one month funding in the budget year. This moves the entire Judicial Branch budget to the SAL growth factor methodology.
- An increase of \$1.3 million General Fund and 13 positions for the Habeas Corpus Resource Center to provide additional staff and resources to accept additional capital habeas corpus appointments from the California Supreme Court.
- An increase of \$3.3 million General Fund and 9 positions to upgrade current systems and equipment and to provide additional information technology support services for the Supreme Court, the Courts of Appeal, and the AOC.

Selected Issues

Trial Court Budget Tied to the State Appropriations Limit. As part of the 2004 Budget Act, the Legislature approved statutory changes which annually grow the budget for the state's trial courts by the same percentage as the State Appropriations Limit (SAL). The 2005 Budget Act was the first year that the trial court budget was increased by the growth factor as opposed to submission of individual Budget Change Proposals. The Governor's budget proposes an increase of \$105.2 million General Fund as a growth factor for the trial courts, based on an estimated increase of 4.7 percent in the State Appropriations Limit. In addition, the budget proposes \$16 million and trailer bill language to increase the base upon which the SAL for the trial courts is calculated, adding judicial compensation, the assigned judges program, the Judicial Administration Efficiency and Modernization Fund, the Equal Access Fund, and a portion of the Trial Court Improvement Fund to the base upon which the growth factor adjustment is calculated. The budget also proposes funding and trailer bill language to apply the SAL growth factor methodology starting June 1, 2007 for the Supreme Court, the Courts of Appeal, and the Administrative Office of the Courts. The Legislature may wish to consider the policy implications of the proposed expansions of the SAL and the appropriate level of oversight under the SAL process.

New Judgeships and Conversion of Subordinate Judgeships. The proposed budget includes \$5.5 million to support facilities, staff, salaries, and benefits for up to 150 new judgeships phased in over a three-year period beginning in April 2007. This level of funding assumes one month of expenditures in the budget year for 50 judgeships. The ongoing cost of 50 judges is \$35.8 million and the ongoing cost of 150 judges is \$107.3 million. The expenditure of these funds is restricted until legislation authorizing new judgeships is enacted. This proposal also supports the conversion of up to 161 judicial officers to judgeships, as the positions become vacant, funded from within existing resources.

Transfer of Trial Court Facilities to the State. Pursuant to the Trial Court Facilities Act of 2002, the process for the transition of court facilities from the county to the state was started in 2004-05. The transfer process has been slower than previously anticipated – originally, the AOC estimated that by the current year, between 100 and 140 facilities would be transferred to the state, to date only five buildings have transferred. The main reasons for the delays are due to seismic safety issues that must be dealt with prior to the transfer.

The AOC estimates that 90 percent of all courthouses require significant maintenance, repair, renovation, or replacement. Transfer of responsibility from counties to the state brings with it the responsibility to fund improvements to address years of neglect by the counties. Based on the current condition of buildings, the Judicial Council has identified a total need for 183 projects at a total estimated cost of \$9.8 billion over the next 10 years. Of the projects identified by the Judicial Council, 50 percent are new construction, 30 percent are renovations, and 20 percent are expansions. Some of the funding for the transition will come from fees that are deposited into the State Court Facilities Construction Fund -- approximately \$90 million has been transferred annually for the last few years into State Court Facilities Construction Fund. The Governor's ten-year Strategic Growth Plan proposes to provide General Obligation Bonds to fund some of the costs related to the transfer of court facilities. Specifically, the proposal includes General Obligation bonds for \$800 million in 2006 for the acquisition, design, construction, or renovation of trial court facilities, and another \$1 billion for the same purposes in 2010. Under this funding scenario, the Judicial Council would need to re-examine the projects to determine the appropriate priority based on the available funds.

The budget proposes \$38.6 million in expenditures from the State Court Facilities Construction Fund, which is less than the anticipated expenditures of \$47.1 million in the current-year. Additional funds for maintenance, renovation, expansion, and replacement of facilities will need to be appropriated once additional buildings are transferred from the counties. The budget estimates that the reserve for the State Court Facilities Construction Fund will be \$250 million at the end of the budget year, with an additional \$72.7 million that was loaned to the General Fund in the current year.